

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION JOINT APPROPRIATIONS SUBCOMMITTEE ON INFORMATION TECHNOLOGY

Call to Order: By **CHAIRMAN TOM ZOOK**, on January 31, 2001 at 11:30 A.M., in Room 102 Capitol.

ROLL CALL

Members Present:

Sen. Tom Zook, Chairman (R)
Rep. Matt McCann, Vice Chairman (D)
Rep. John Brueggeman (R)
Sen. John Cobb (R)
Rep. Dick Haines (R)
Sen. Greg Jergeson (D)
Sen. Royal Johnson (R)
Rep. Monica Lindeen (D)
Sen. Linda Nelson (D)

Members Excused: Rep. Stanley Fisher (R)
Rep. Dave Lewis (R)
Sen. Jon Tester (D)

Members Absent: None.

Staff Present: Greg DeWitt, Legislative Fiscal Division
Prudence Gildroy, Committee Secretary
Mary Beth Linder, OBPP
Christi Tyson, OBPP

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: To reconsider previous executive action, 1/22/2001
Executive Action: IT budget request

REP. JOHNSON said that the action taken at the previous meeting to fund the desktop rate for IT at 10 percent less than requested, resulted in "awakening the whole situation". If the Select Subcommittee on IT had not been in place, the IT budget would have likely slipped through without comment. The

legislature in the future should have the option to review the IT budget like other budgets are reviewed. Programs should be scrutinized very thoroughly before getting anyplace. The previous action was, perhaps, a little too thorough. He proposed reconsidering the action that reduced the request of \$73.50 per terminal to \$66.15.

EXHIBIT (jih25a01)

EXHIBIT (jih25a02)

EXHIBIT (jih25a03)

Motion/Vote: SEN. JOHNSON moved TO RECONSIDER THE PREVIOUS ACTION OF THE COMMITTEE THAT REDUCED THE IT BUDGET REQUEST OF \$73.50 PER TERMINAL TO \$66.15. Motion carried 9-1 with Lewis voting no (Cobb carrying proxy for Lewis).

SEN. JOHNSON stated that the motion he was about to make would take about \$115,000 out of the total budget for IT for fiscal years 2002 and 2003. Compared to the total budget, that is a small figure, but it is 10 percent of the request made for the IT division.

Motion: SEN. JOHNSON moved TO APPROVE A NETWORK SERVICES RATE OF \$72.60 PER YEAR AND TO MAKE THE ENTIRE NEW PROPOSAL BUDGET FOR THE INFORMATION SERVICES DIVISION FOR FISCAL YEARS 2002 AND 2003 A ONE-TIME ONLY BUDGET.

The intent of the motion in regards to the proprietary portion of the division is to return the network services fee to the fiscal 2000 level and to require the division to justify all increases above the fiscal 2000 level to the 2003 legislature.

SEN. JOHNSON said that the increase does not go into the base. The division will have to come to the legislature with the reason for keeping this and other programs alive, instead of having the programs in place for years without legislative review. This will become an extremely important part of the legislative effort in the coming years. Because of term limits, no legislators will be here longer than 8 years. Legislators in the future should have the opportunity to review the IT budget.

REP. MATT McCANN asked about the effects of across-the-board cuts if that becomes necessary in the final days of deliberation on the budget. **Tony Herbert, Department of Administration,** said they are a non-budgeted agency, not a HB 2 type of program. If there were across the board cuts of agencies, the division would still be responsible to provide services. The rates built into the agencies' budgets for those services are rates that agencies would have to pay over the biennium. Modifying services and rates could be considered in the event of across-the-board cuts.

REP. MONICA LINDEEN asked about the \$.50 rate for e-government on the Cost Recovery Fact Sheet. **Mr. Herbert** replied that was for the 1.0 FTE requested to assist in the Internet Bureau to manage the new e-government contracts.

SEN. JERGESON supported the motion of **SEN. JOHNSON**. He said that the resulting motion at the previous meeting was from a sense of frustration. The Legislative Finance Committee struggled during the interim to find the best way for legislators to get a handle on IT issues. The current subcommittee was set up with two members of each of the other regular subcommittees in an effort to expand the pool of legislators who had some familiarity with the IT issues. The right format for that kind of understanding and decision making is something that will have to be worked on by those that will be back next session. After **SEN. JOHNSON's** previous motion was adopted, there was a lot of conversation about the whole rate structure and what it means. After the review that **SEN. JOHNSON** and others engaged in with **Mr. Herbert**, the new motion is probably the appropriate way to proceed.

REP. McCANN reflected back across the numbers and the tangible services that are being given. He was hoping they could reach a little further into ISD. He was frustrated that he could not argue effectively about funding without understanding everything that was involved in ISD. He cited consideration for his constituency in opposing the new motion. He expressed, however, that **Mr. Herbert** does a good job with his department.

REP. HAINES spoke in support of **SEN. JOHNSON's** motion, conveying the need to restrain ISD as well as any other agency.

REP. LINDEEN commented that the frustration felt by some committee members is a symptom of a larger problem. Operations are driving the budget, rather than the budget driving operations. Both **REP. LINDEEN** and **SEN. TAYLOR** have bills that will set up a system for technology planning and policy that hopefully will address that issue.

REP. BRUEGGEMAN asked **SEN. JOHNSON** about one-time only for ISD's complete budget. **SEN. JOHNSON** said that there should be two motions, one for the current reduction, and one for making the entire new proposal budget of the division one-time only. **Mr. Herbert** said that the new proposals are \$2.5 or 2.6 annually. **SEN. JOHNSON** said that was the budget he was talking about. **SEN. ZOOK** suggested including one-time only in the original motion.

Mary Beth Linder, OBPP, stated that the intent would be for ISD to come in two years from now with a base rate of \$64.50 and anything other than that would be addressed as a rate increase.

SEN. JOHNSON said that this would not go in the base rate either. He asked if it was a new proposal. **Mr. Herbert** explained that the \$9 was a new proposal. **Ms. Linder** said that the issue is thought of differently in a proprietary environment. It is thought of as a rate instead of a budget item. **SEN. ZOOK** said that the division would come in 2 years from now with a base rate of \$64.50. They would have to get a committee's approval to rise above or come down from that base rate. **Greg DeWitt, Legislative Fiscal Division**, suggested making HB 2 items one-time only. Other rates in the program like the SABHRS increase would have to be justified. The intent would be for the entire division. **Ms. Linder** said she would have to work with **Mr. DeWitt** on the wording of **SEN. JOHNSON's** intentions for the motion. The question was called for.

Vote: Motion carried 10-2 with Lewis and McCann voting no. (Cobb carrying proxy for Lewis, Jergeson for Tester and Zook for Fisher).

An informal discussion was held about dealing with the IT budget issues in the future. **SEN. ZOOK** said that the Select Subcommittee on IT was created to deal with the technology issue. He asked if it would be better to have one subcommittee, such as Long Range Planning, deal with the whole IT budget. **REP. McCANN** said Long Range Planning could pick it up, but someone would have to give up time slots. **REP. LINDEEN** said that previously, the General Government and Transportation Subcommittee dealt with the IT budget. **SEN. ZOOK** agreed. The decision was made to explore the issues in more depth in the current select subcommittee, with members going back to their regular committees and imparting some of what was learned. **REP. McCANN** suggested that committees like General Government and Transportation could address the whole budgeting issue. **SEN. JERGESON** said another option might be a seventh subcommittee that the rest of the legislature could rely on. **REP. BRUEGGEMAN** thought that the ISD proprietary environment would be appropriately dealt with by the General Government and Transportation Subcommittee. **REP. LINDEEN** had a concern about the separate bureaus within agencies that deal with IT. A new subcommittee would need to look at all the pieces. The structure would need to be changed. **REP. HAINES** thought a new subcommittee with a different approach could take on decision packages from a variety of agencies that deal with IT.

ADJOURNMENT

Adjournment: 12:08 P.M.

SEN. TOM ZOOK, Chairman

PRUDENCE GILDROY, Secretary

TZ/PG

EXHIBIT (jih25aad)